

Department of Education
TEACH GRANTS OVERVIEW
Fiscal Year 2011 Budget Request

CONTENTS

	<u>Page</u>
Summary of Request	S-1

TEACH GRANTS OVERVIEW

TEACH Grants (loans)

(Higher Education Act of 1965, Title IV, Part A, Subpart 9)

FY 2011 Authorization (\$000s): Indefinite

Budget Authority (\$000s):

	<u>2010</u>	<u>2011</u>	<u>Change</u>
TEACH New Loan Subsidies ¹	\$10,880	\$12,711	+\$1,831
TEACH Net Re-estimate	<u>11,975</u>	<u>0</u>	<u>-11,975</u>
TEACH Total Net Subsidy	22,855	12,711	-10,144

¹ For budget and financial management purposes, this program is operated as a loan program under the Federal Credit Reform Act of 1990; budget authority reflects the estimated net present value of future Federal non-administrative costs for awards made in a given fiscal year. Negative numbers indicate estimated future Federal revenues exceed estimated future Federal costs.

PROGRAM DESCRIPTION

The TEACH Grant program—created by the College Cost Reduction and Access Act of 2007—awards annual “grants” of up to \$4,000, which are converted to Unsubsidized Stafford Loans if required service is not performed. Awards are made to eligible undergraduate and graduate students who agree to serve as a full-time mathematics, science, foreign language, bilingual education, special education, or reading teacher at a high-need school for not less than 4 years within 8 years of graduation. For students who fail to fulfill this service requirement, grants are converted to Direct Unsubsidized Stafford Loans with interest accrued from the date the grants were awarded.

To be eligible for a TEACH award, enrolled students must have a grade-point-average of at least 3.25 on a zero to 4.0 scale and be completing academic coursework and other requirements necessary to begin a career in teaching, or plan to complete such coursework and requirements prior to graduation. (For first-year students, grade-point-average is determined using cumulative secondary school grades.) In addition, teachers, retirees from another occupation with expertise in a field in which there is a shortage of teachers, or current or former teachers using a high-quality alternative certification route are eligible to receive TEACH awards to obtain a graduate degree. All applicants must sign an agreement to serve in which they acknowledge that grants will be converted to loans if the required service is not completed.

Participating institutions of higher education must provide high quality teacher preparation and professional development services, including extensive clinical experience as part of pre-service preparation; be financially sound; provide pedagogical course work, or assistance in the provision of such coursework, including the monitoring of student performance, and formal instruction related to the theory and practice of teaching; and provide supervision and support services to teachers, or assistance in the provision of such services, including mentoring focused on effective teaching skills and strategies.

TEACH GRANTS OVERVIEW

FY 2011 BUDGET REQUEST

The TEACH program began making awards on July 1, 2008. At the start of FY 2010, the TEACH program was making awards at nearly 600 schools. Pending a review of the program's implementation and subsequent evaluations, no new policies are proposed for this program.

This program operates as a loan program with 100 percent forgiveness of outstanding principal and interest upon completion of a student's service requirement. Based on data from national surveys and existing teacher loan forgiveness programs, the Administration currently estimates approximately 75 percent of participating students will eventually fail to complete the required service and have their grants converted to Direct Unsubsidized Stafford Loans.

Consistent with the requirements of the Credit Reform Act of 1990, budget authority for this program reflects the estimated net present value of all future non-administrative Federal costs associated with awards made in a given fiscal year.

PROGRAM OUTPUT MEASURES (\$000s)

	<u>2009</u>	<u>2010</u>	<u>2011</u>
TEACH Grants			
Recipients	30,506	31,932	37,277
Aid available to students	\$72,262	\$79,827	\$93,189
Maximum award (in whole \$)	\$4,000	\$4,000	\$4,000
Average award (in whole \$)	\$2,369	\$2,500	\$2,500

PROGRAM PERFORMANCE INFORMATION

This section presents selected program performance information, including, for example, GPRA goals, objectives, measures, and performance targets and data, and an assessment of the progress made toward achieving program results. Achievement of results is based on the cumulative effect of the resources provided in previous years and those requested in FY 2011 and future years, and the resources and efforts invested by those served by this program.

Because the programs in the TEACH account rely on the same performance data as the Federal student aid programs, the performance measures, strategies, and program improvement activities that apply to all of the programs are discussed in the **Student Aid Overview** and are not repeated here.